

## Setting Medical Fees and Billing Practices

### 2015

- 1.1. As highly trained professionals, medical practitioners are free to place their own value on their professional skills and expertise, and determine what they consider to be a fair and reasonable fee for the services they provide.
- 1.2. The *Competition and Consumer Act 2010* requires medical practitioners to set their fees independent of other medical practitioners, unless otherwise authorised by the Australian Competition and Consumer Commission.
- 1.3. In setting their fees, medical practitioners should also take account of their practice costs. The cost of running a medical practice varies across the country and within specialties. Practice costs include but are not limited to, wages for practice staff, rent, electricity, computers, continuing professional development, practice accreditation and professional indemnity insurance.
- 1.4. Medical practitioners should also satisfy themselves in each individual case as to a fair and reasonable fee having regard to their own costs and the particular circumstances of the case and the patient.
- 1.5. Medical practitioners are under no obligation to charge fees that are equal to Medicare Benefits Schedule (MBS) fee set by the Government or the schedules of medical benefits set by private health insurers (private schedules).
- 1.6. Indexation of the MBS and the private schedules have not kept pace with the costs of providing medical care. This is why patients may have out-of-pocket costs for medical services. The AMA List of Medical Services and Fees (the AMA List) is indexed annually at a rate that takes account of the cost of providing medical services and are therefore higher than the MBS and private schedules. The AMA List guides members in setting their fees and periodic indexation.
- 1.7. The AMA opposes the introduction of any legislation that prescribes or restricts the fees that medical practitioners must charge.
- 1.8. Billing policies should be made and include:
  - when payment is required;
  - any discounts available for early payment or charges for late payment;
  - acceptable forms of payment; and
  - the name of the person and contact details to discuss payment issues and problems.
- 1.9. Medical practitioners should document their fee setting and billing policies and make them available to their patients.

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